

is highly unstable and subject to surprises, embargoes, and destabilization from within." Continued instability there, he added, would ensure that the Bonn meeting would be "all talk, big on rhetoric and soft on action."

The Arrogance of Israel

From political and military sources in Israel have come a series of threats that Israel will invade Lebanon to defend the "Christian minority." But, in fact, the Syrian action in Lebanon is aimed at eliminating a nest of Nazi militiamen—direct descendants of the pro-Hitler Lebanese gangs of the World War II era—who have formed an unholy alliance with the Israelis. Israel's nauseating posturing about "humanitarian" concerns in Lebanon is thus revealed to be nothing less than a cover for a deal with Nazis.

The renewed Syrian attacks on the rightists, which have left about 200 dead in seven days, came after the assassination of Tony Frangieh, a former ally of the Gemayel-Chamoun clique whose family had broken with its fellow Maronites and openly endorsed the Syrian role in Lebanon at a time when Chamoun was demanding a Syrian withdrawal. Frangieh was close to the Syrian leadership, especially President Assad's brother Rifaat Assad, with whom he was in partnership in various business deals, from trading to drug merchandising.

Threats to intervene against Syria came last week from the office of Prime Minister Begin, Defense Minister Weizman, and from Military Intelligence chief General Shlomo Gazit. In addition, Weizman said that the Syrian action would force a "reassessment" of Israel's negotiating position in Middle East peace talks. At the same time, Israeli officials announced a rejection of the long-awaited Egyptian peace plan, which was

delivered to Israel on July 4 by the U.S. ambassador.

At stake in Lebanon is nothing less than the existence of the nation. At the height of the crisis, President Sarkis of Lebanon threatened to resign unless a ceasefire were implemented, reportedly adding that the Syrians must drop their conditions which included the dismantling of the power of the rightist Lebanese Front. Sarkis's threat to resign would mean total chaos in Lebanon, since it would be followed immediately by the declaration of several rival governments, leading to partition.

Chamoun, leading the fight against Syria, declared that his forces will fight "for our own state," implying a partition. A Falangist source said that they anticipate the declaration of a free and independent Mount Lebanon "state," based on pre-1860 lines, "which would be immediately backed by Israel." The Washington Post, editorially, backed such genocidal schemes, accusing Syria of "mass slaughter of civilians" and adding that partition "is a decision that the Lebanese can only take for themselves."

Internationally, both the United States and the EEC condemned the fighting in Lebanon and urged an immediate ceasefire. Both the U.S. and the EEC emphasized the importance of maintaining the territorial integrity and unity of Lebanon, and Washington said that it would take "whatever steps we consider necessary" to end the fighting.

Carter, in addition, last week stated that the United States would favor the convening of the Geneva conference if the current round of Egyptian-Israeli talks fails, as expected. Carter's statement, which echoes a similar plea from Schmidt, was described as a "bombshell" by the Israelis.

—Bob Dreyfuss

New York Times' Paul Lewis Article Disinformational Garbage

LaRouche comments on Bremen decision

On July 7, U.S. Labor Party Chairman Lyndon LaRouche, Jr. issued from New York this release on the developments at Bremen and their implications for United States policy:

The July 6 dispatch published under Paul Lewis's by-line in today's *New York Times* is totally disinformational, and willfully so on every point but Lewis's reporting of the British hostility to the New European Monetary Union established by today's EEC decision.

Fortunately, those key figures in Washington and elsewhere who have reviewed the European events of July with myself and my associates during recent weeks will recognize from today's official BBC reports that my forecast of breaking policy developments is entirely confirmed. However, Robert Strauss's office and other key elements of the Administration, Congress and business community have been until recent hours incapable of

comprehending the basic realities of European and Japanese outlooks and policies. A continuation of the obsessive focus on German and Japanese "reflation" and other exercises in futility by the office of Strauss and other Administration circles is exceedingly dangerous at this juncture.

New World Monetary System

What is now in progress is the establishment of a new, gold-reserve-based world monetary system to replace the shattered Bretton Woods system — to replace the dominant role of the International Monetary Fund and World Bank. The European Monetary Union, adopted by the EEC is the first major step toward that indispensable objective.

The basic features of the new policies being installed are as follows:

1. The establishment of a new world "central bank,"

like the International Development Bank which I proposed first during Spring 1975.

2. This bank will be established by converting idle liquidity, especially U.S. dollar holdings, into long-term bonds ultimately pegged to gold denomination in ounces of gold, at low interest rates. Governments and central banks will initiate the market in such new bonds on the order of tens of billions of dollars. A mixture of such dollars and gold will represent the reserves of such a new banking institution.

3. This bank will develop by phases, with the first phase concentrating on stabilizing the dollar by converting idle dollar balances into bonds which will become convertible into gold-denominated bonds (at \$230-\$250 per ounce). The use of Japanese bonds to sop up excess dollars is exemplary of the process's initiation.

4. The credit so created will be used to finance a global, high-technology investment and trade expansion, with emphasis upon nuclear energy-centered development of industry, agriculture and infrastructure in the developing nations. Increased East-West trade will be integrated with North-South capital flows, with imbalances in East-West trade settled through aid of cooperation in high-technology development projects in the "Third World."

5. This will create an international "two-tier" investment and credit market, whose included objective is to force churning masses of liquidity away from inflationary speculation in such areas as high-technology debt-refinancing into tangible improvements in industry, agriculture and infrastructure globally. There will be secure, gold-denominated low-interest (anti-inflationary) investment in tangible improvements draining away capital from high-interest, inflationary, speculative markets.

6. The present phases of the effort are preliminary: to stabilize the dollar and to start world economic recovery, in anticipation of subsequent full U.S. participation in this global economic recovery.

7. It also portends the end of the dominant role of the City of London financial markets and commodity markets, requiring the United Kingdom to choose either total economic collapse and total collapse of sterling, or a shift in high-technology reconstruction of the United Kingdom's dilapidated and decaying internal economy.

8. The grave danger is that the City of London will use a combination of the Orde Wingate followers in Israel in conjunction with Britain's sovereign thermonuclear "wild card" bases in Cyprus, to trigger a Middle East war — and possible immediate World War III — in an effort to prevent the economic recovery from being launched. In this connection, London-controlled elements of the USA's "Zionist Lobby" and members of the International Institute for Strategic Studies division of British secret intelligence must be watched closely to prevent them from aiding in the promotion of World War III. These forces must be treated as traitors in effect at this juncture, until the crisis is past.

USA Policy

It can not be expected that the Carter Administration will contribute positively to world economic recovery at this moment. As long as policies associated with Brze-

zinski, Blumenthal, Schlesinger, Kissinger, Turner, Joseph Califano, Kennedy, and other London-allied elements persist, U.S. official policy tends to run contrary to fundamental U.S. interests. For the moment, the U.S. government must ensure that the Brookings Institution is kept out of the policy-making processes and that no obstacle is placed in the way of full success of the mutual efforts of Giscard, Schmidt, Andreotti, Fukuda, and Saudi Arabia's King Khalid.

Let the continental Europeans and their collaborators have full latitude to initiate the new monetary institutions which halt the collapse of the U.S. dollar and initiate world economic recovery. The success of Giscard, Schmidt, Andreotti, Fukuda and their collaborators in this venture is in the vital interests of the USA at a time when the USA lacks the capabilities of adopting policies which are efficiently in its own vital interests.

Put a "protective containment" around Israel as defined by Israel's 1967 borders, warning Israel that if it breaks out of that protective containment, following a "breakaway ally scenario," the USA will not interfere in Soviet honoring of defense agreements with Syria. *Armageddon must be prevented by whatever measures are efficient to that effect.* In any case, a discrediting of the Orde Wingate elements within the Israeli ruling strata will merely hasten the accession to power of the Sephardic-based, "dovish" majority of the Israeli electorate — which is probably the only means by which durable peace can be secured in the Middle East in any case. In particular, emphasize that Lebanon is not a satellite of Israel.

If Israel wishes security and independence, it must terminate its role as a virtual puppet of undesirable powerful forces based in the City of London. On that condition, the USA and its allies must absolutely guarantee the security of Israel within its 1967 borders — or reasonably-adjusted borders to the same effect.

Immediate Administration and Congressional action must be taken to end the log-jam of export licenses now the principal short-term cause for our acute balance-of-trade deficits. The Jackson-Vanik condition must be repealed quickly, as an emergency action, and the gates opened for U.S. high-technology exports — and recovery in U.S. employment rates. We need exports of high-technology products to stop the collapse of the U.S. internal economy. There is no acceptable solution to the growing unemployment and tax problems without such remedies.

As European, Japanese and Saudi action creates new world monetary alternatives, and on condition that the U.S. administration ceases to sabotage U.S. exports, excess U.S. dollars overseas will be exchanged for U.S. industrial and agricultural exports, bringing employment back to numerous idled work-places throughout the nation's industrial plants. Once the electorate gains a taste of such export-driven recovery in industrial employment, the electorate will produce an unbeatable constituency for the kinds of policies which bring the USA fully into the world economic recovery.

Industrialists, regional bankers, progressive farmers, trade unionist and those representatives of "minorities"

typified by the NAACP leadership's efforts must join together now around the forthcoming Bonn Summit to ensure that we avoid the alternatives of a deep world depression and probable thermonuclear war. If these

forces cease vacillating, and join openly with me now, we have the best chance we have had since World War II to win the peace and to secure the next century for ourselves and our posterity.

Miki: Bonn Summit Must Take Responsibility For Entire World Economy

On July 3 Takeo Miki, Japan's Prime Minister from November 1974 to December 1976, gave this news service his views on the "perspectives for the Bonn summit" in an exclusive interview.

Miki is best known in the West for the international development proposals which he brought to the fall 1975 Rambouillet summit, proposals which were a precedent for those Japan is bringing to Bonn. These included: (1) joint development of fusion power; (2) a new international body to fund and coordinate capital-intensive development projects in the developing countries; and (3) willingness to seriously consider developing-country proposals for moratoria on international debt. These proposals were made in coordination with many of the businessmen who promoted the Pacific Basin development proposal (for details, see our Japan coverage in our SPECIAL REPORT).

Today, Miki's deputy in his faction of the ruling Liberal-Democratic Party, Toshio Komoto, is Minister of International Trade and Industry. Komoto has played a leading role in pushing Japan to fight for joint development efforts at the Bonn summit, including the Mitsubishi proposal and Premier Fukuda's earlier proposal for joint research on fusion power.

The interview was conducted during Miki's trip to Sweden by Clifford Gaddy and Joseph Cohen of our Stockholm bureau.

Q: In view of your own previous advocacy of fusion energy and of global cooperation in that field, do you regard the energy question in general and fusion in particular as as urgent today as at the time you advanced your proposals in the international context?

Miki: Of course you know that I am not in government and therefore all the opinions that I will express will be purely my own.

At the risk of stating the obvious, if I confine my remarks to the situation surrounding Japan, Japan does not have any oil and yet she is a highly industrialized society. Therefore, the question of energy is of vital importance, and no other country in the world is as dependent on energy as Japan.

Now with respect to oil, again as you know, Japan has to depend upon external sources of oil to almost 100 percent. Therefore, it is not only in the interests of the entire world, but perhaps also in the selfish interests of Japan that the Middle East situation should be brought to a successful settlement, because Japan is chiefly

dependent on Mideast oil. And that is an area in which Japan should cooperate with the rest of the world to solve the crisis situation in the Mideast.

And, at the end of this month, I am planning to visit the Middle East to explore possible avenues for whatever Japan might be able to do to resolve this question.

Now, the second area is of course coal. And new technologies for gasification and liquification of coal should be developed. Japan produces only about 20 million tons of coal annually, which means we will have to continue to import most of our coal.

The third area perhaps is, as you indicated, nuclear. We have been trying to do our best to develop nuclear power, but the level of public understanding of the need for such development is far from adequate and this calls for greater effort to secure better public understanding of the necessity of nuclear generation in the future. *(Japan currently has 14 units of nuclear power generation in operation, producing 8 million kilowatts of energy — ed.)*

The fourth area perhaps — although this is somewhat in the remote future — is the discovery of possibility for generation of alternative sources of energy such as the better use of solar energy and so on.

Q: Referring to your comment on the Mideast: In our view one of the most constructive approaches to the Mideast problem is the simple, almost self-evident statement that any peace in the Mideast will have to be based on the economic development of the area, utilizing Israeli know-how together with Arab manpower and liquidity. At the same time, this will require outside participation, specifically of the industrialized countries of Western Europe, the United States, and Japan. Will your talks with Mideast representatives also follow this approach?

Miki: My trip is going to be an "exploratory" one, so to speak, now that I am no longer in government. I am going to meet with several Arab leaders to find out what they have in mind as to the possible avenue for the settlement of the Mideast situation, including, yes, discussions along the lines that you suggested.

Several years ago, immediately after the oil crisis, I toured the Mideast — I was Deputy Prime Minister at that time — and I personally am acquainted with all the Arab leaders there. So I'm going to deepen my discussions with them.

Q: Further on this energy question, what is your view of the necessity and the perspectives of the development